

Magellan Global Trust Unitholder Meeting Presentation

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Important information

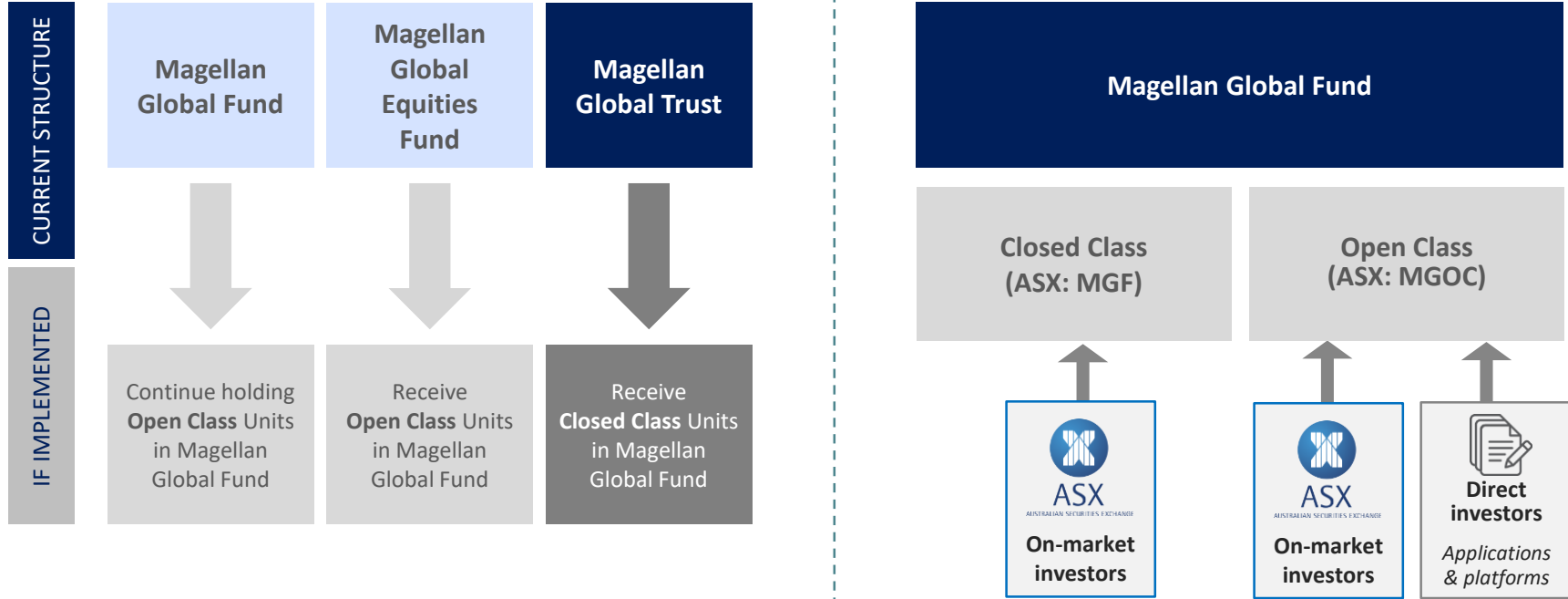
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Introduction

- On 3 August 2020, Magellan Asset Management (“Magellan”) announced the proposed restructure of three Global Equities retail funds, being the Magellan Global Fund, the Magellan Global Equities Fund (“MGE”) and the Magellan Global Trust (“MGG”) into a single trust (Magellan Global Fund) that has two unit classes – Closed Class & Open Class
- To effect the restructure, Magellan Global Fund is proposing to acquire all of the units in MGG and all the units in MGE by way of two separate but inter-conditional trust schemes
- If the restructure becomes effective, MGG unitholders will receive Closed Class Units in exchange for their existing units in MGG
- Post implementation of the restructure, Magellan Global Fund intends to undertake an issue of bonus options over Closed Class Units as well as a \$1-for-\$4 offer of Closed Class Units also with attaching options. All discounts in connection with these offers will be funded by Magellan Financial Group, not the Magellan Global Fund
- The restructure is subject to approval by ASIC, ASX, the Courts and unitholders of Magellan Global Fund, MGE & MGG
- Today, MGG unitholders are being asked to vote in connection with the proposed restructure

The MGF Partnership Offer and Bonus MGF Option Issue are subject to the successful implementation of the Restructure and regulatory approvals. Product disclosure statements will be lodged with ASIC by Magellan Global Fund, as issuer, and made available to Eligible MGF Unitholders at the time the MGF Partnership Offer and Bonus MGF Option Issue are expected to be made in January 2021. Once available, Eligible MGF Unitholders will need to consider the product disclosure statements in deciding whether or not to subscribe for Closed Class Units and MGF Options in the Magellan Global Fund.

Magellan Global Fund post restructure



Trust features summary

Magellan Global Fund		
	Closed Class (ASX: MGF)	Open Class (ASX: MGOc)
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 unit class</i> ▪ <i>Portfolio disclosed quarterly with two-month delay</i> 	
Fees	Fee structure identical across each unit 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 Magellan Board approval and Listing Rules

Key considerations for MGG Unitholders

What will I receive if the Restructure is implemented?

- MGG Unitholders will receive Closed Class Units in the Magellan Global Fund in exchange for their existing MGG units
- The number of Closed Class Units received will be equal to the number of units in MGG held on the MGG Trust Scheme Record Date

Key benefits of the restructure

- Potential for greater efficiency in ASX trading of Closed Class Units
- The opportunity to participate in Magellan Group “partnership benefits” including the MGF Partnership Offer and Bonus MGF Option Issue
- Investment strategy aligned to the Magellan Global Fund which has outperformed the investment strategy of MGG since MGG’s inception date of 18 October 2017¹

Potential disadvantages and risks of the restructure

- Your investment will no longer be currency managed
- The relative voting power of an MGG Unitholder will be lower in the enlarged Magellan Global Fund
- Any borrowing by the Magellan Global Fund (limited to 5% of assets) may expose holders of a specific unit class to cross-collateralisation default risk
- Implementation and execution risks

Board recommendation

- Directors of Magellan recommend MGG Unitholders vote in favour of the restructure proposal, in the absence of a superior proposal

Independent expert recommendation

- The Independent Expert has determined the restructure is fair and reasonable and in the best interests of MGG Unitholders, in the absence of a superior proposal

1. Past performance is not necessarily an indicator of future performance.

Key Dates

Wednesday, 25 November

- Unitholder meetings for Magellan Global Fund, MGG and MGE

If approved by unitholders, and all other conditions precedent are fulfilled or waived, the following key dates will apply:

Thursday, 26 November

- Second Judicial Advice hearing

Friday, 27 November

- Effective Date
- MGE and MGG units are suspended from trading on ASX (as at close of business)

Monday, 30 November

- Open Class Units and Closed Class Units commence trading on ASX on a deferred settlement basis

Tuesday, 1 December

- Record date for Trust Schemes

Tuesday, 8 December

- Implementation Date

Wednesday, 9 December

- Normal trading in Open Class Units and Closed Class Units commences

Bonus MGF Option Issue + MGF Partnership Offer

Bonus MGF Option Issue

- Closed Class unitholders will receive one (1) bonus MGF Option for every two (2) Closed Class Units held on the Bonus MGF Option Issue Record Date, expected to be week ending 26 February 2021
- MGF Options are exercisable daily at a 7.5% to the prevailing NAV per Unit
- Magellan Financial Group will fund the MGF Option price discount from its own balance sheet to minimise dilution

MGF Partnership Offer

- Post implementation, it is intended to invite Magellan Global Fund unitholders to subscribe for new Closed Class Units and receive additional Closed Class Units funded by Magellan Financial Group
 - Invitation to subscribe for \$1 of Closed Class Units for every \$4 of MGF units held
- Successful applicants will receive:
 - additional Closed Class Units worth 7.5% of their subscription; and
 - one (1) MGF Option for each Closed Class Unit issued. MGF Options are exercisable daily at a 7.5% to the prevailing NAV per Unit
- Magellan Financial Group will fund the additional Closed Class Units and MGF Option price discount from its own balance sheet to minimise dilution
- MGF Partnership Offer targeted for January 2021

The MGF Partnership Offer and Bonus MGF Option Issue are subject to the successful implementation of the Restructure and regulatory approvals. Product disclosure statements will be lodged with ASIC by Magellan Global Fund, as issuer, and made available to Eligible MGF Unitholders at the time the MGF Partnership Offer and Bonus MGF Option Issue are expected to be made in January 2021. Once available, Eligible MGF Unitholders will need to consider the product disclosure statements in deciding whether or not to subscribe for Closed Class Units and MGF Options in the Magellan Global Fund.

Thank you

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