

MAGELLAN GLOBAL TRUST

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MAGELLAN GLOBAL TRUST

Chairman's Report

for the period 11 August 2017 to 31 December 2017

Dear Unitholders,

We are pleased to present the interim financial report for Magellan Global Trust ("MGG" or the "Trust"). MGG is a closed end managed investment scheme for which Magellan Asset Management Limited ("MAM") acts as both Responsible Entity and Investment Manager.

MGG is quoted on the Australian Securities Exchange (code: MGG) and commenced trading on 18 October 2017, after raising \$1,575 million at \$1.50 per unit through an initial public offering. As at 31 December 2017, MGG had net assets of \$1,612 million and a net asset value of \$1.5350 per unit.

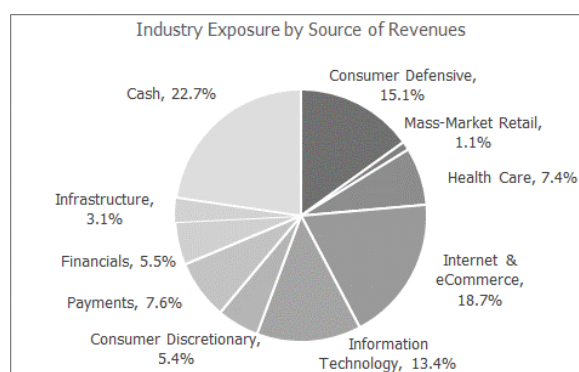
The Trust aims to achieve attractive risk-adjusted returns over the medium to long term for unitholders, while reducing the risk of permanent capital loss. To achieve this, the Trust invests in a portfolio of between 15 and 35 high-quality global equity stocks, as assessed by MAM, and has the ability to manage equity market risk by holding up to 50% of its net assets in cash. MAM may also manage the Trust's foreign currency exposure arising from investments in overseas markets, and as at 31 December 2017 MGG's portfolio was 43% hedged to the Australian Dollar. Since inception on 18 October 2017 to 31 December 2017, the Trust returned 4.3% net of fees.

The Trust also aims to deliver investors a Target Cash Distribution yield of 4% per annum, paid semi-annually. For investors wishing to reinvest these distributions, a distribution reinvestment plan has been established with a 5% discount to the net asset value per unit. To ensure investors electing to receive cash are not disadvantaged due to dilution, Magellan Financial Group Limited will, subject to the MFG Subscription and Commitment Deed, pay to MGG a cash amount equal to the discount, to offset the dilutionary impact.

We would encourage you to read our Investor Letters and monthly and quarterly Reports which provide valuable insight into our investment strategies and portfolio managers' thoughts. These are released on ASX and can also be found on our website: www.magellangroup.com.au.

As at 31 December 2017, the Trust consisted of investments in 20 companies, with the top 10 investments (listed below) representing 53.9% of the Trust's investment portfolio. The Trust's cash position was 22.7% which was predominantly held in US Dollars. The Trust's industry exposure by source of revenues is highlighted below.

Top 10 holdings (as at 31 December 2017)	%
Facebook - class A shares	8.0
Alphabet - class C shares	6.8
Apple	6.2
Lowe's Co	5.4
Kraft Heinz	5.4
Starbucks	5.0
HCA Holdings	4.5
Visa - class A shares	4.3
Wells Fargo	4.2
Oracle	4.1
Top 10 Total	53.9



The following report contains relevant financial statements and information which we encourage you to read carefully.

Brett Cairns
Executive Chairman
Sydney, 28 February 2018

MAGELLAN GLOBAL TRUST

Responsible Entity's Report

for the period 11 August 2017 to 31 December 2017

1.5 Review Of Financial Results And Operations

a) Financial Results For The Period

The performance of the Trust, as represented by the results of its operations for the period 11 August 2017 to 31 December 2017, was as follows:

	Inception to 31 December ^(A) 2017
Results	
Total net investment income (\$'000)	74,267
Total expenses (\$'000)	5,497
Profit/(Loss) (\$'000)	68,770
Distributions	
Distribution payable to unitholders for the period (\$'000)	31,495
Distribution - cents per unit	3.00
Unit Price (Net Asset Value Per Unit) (\$) ^(B)	1.5355

(A) The Trust commenced trading on 18 October 2017 ("inception").

(B) The NAV per unit represents the net assets of the Trust presented in the Statement Of Financial Position at 31 December 2017 divided by the number of units on issue at 31 December 2017 (refer Note 4 to the financial statements).

b) Total Indirect Cost Ratio

The Total Indirect Cost Ratio (ICR) is the ratio of the Trust's actual management costs over the average net asset value expressed as a percentage, for the period ended 31 December 2017. Management costs, accrued within the Trust's unit prices on a daily basis, include management, administration and performance fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	Inception to to 31 December ^(A) 2017 %
Indirect Cost Ratio	
Management fee	0.29
Performance fee	-
Total Indirect Cost Ratio	0.29

(A) The Trust commenced trading on 18 October 2017 ("inception").

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

1. Summary Of Significant Accounting Policies (continued)

a) Basis Of Preparation (continued)

Changes In Accounting Policy, Accounting Standards And Interpretations (continued)

- **AASB 15: Revenue From Contracts With Customers (AASB 15) (Effective 1 July 2018)**

AASB 15 supersedes the revenue recognition guidance in AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates. The core principle in AASB 15 is that an entity recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for selling goods or services to customers. AASB 15 has also introduced specific criteria for determining whether to capitalise certain costs, distinguishing between those costs associated with obtaining a contract (e.g. sales commissions) and those costs associated with fulfilling a contract.

The Trust has undertaken an assessment of the impact of AASB 15 and does not expect any material change to the timing or manner of recognition of the Trust's key revenues as interest revenue, dividend and distribution income and investment gains/(losses) are excluded from the scope of AASB 15.

There are no other pronouncements or accounting standards, not yet effective at this time, that are expected to have a material impact on the Trust's financial statements in future reporting periods.

b) Foreign Currency Translation

The functional and presentation currency of the Trust is the Australian Dollar, as determined in accordance with *AASB 121: The Effects of Changes in Foreign Exchange Rates*. Transactions denominated in foreign currencies are translated into Australian currency at the foreign currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian Dollars at the foreign currency closing exchange rate at the reporting date.

Foreign currency exchange differences arising on translation, and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement Of Profit Or Loss And Other Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian Dollars at the foreign currency closing exchange rates at the dates that the values were determined. Foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented separately in the Statement Of Profit Or Loss And Other Comprehensive Income.

c) Investment Income

Dividend/Distribution Income

Dividend and distribution income is recognised on the applicable ex-dividend/distribution date gross of withholding tax. Foreign dividends and trust distributions received are presented net of withholding tax in the Statement Of Cash Flows, with the foreign withholding tax recorded as an expense in the Statement Of Profit Or Loss And Other Comprehensive Income.

Net Changes In Fair Value Of Investments

Realised and unrealised gains and losses on investments are measured at fair value through profit or loss are recognised in the Statement Of Profit Or Loss And Other Comprehensive Income.

Interest Income

Interest income is recognised on an accrual basis using the effective interest rate method.

d) Expenses

All expenses are recognised in the Statement Of Profit Or Loss And Other Comprehensive Income on an accruals basis. Management and administration fees are set out in Note 5 c).

Performance fees

Performance fees are set out in note 5 c). A performance fee in respect of a period is recognised in the Statement Of Financial Position if the Trust's performance exceeds certain hurdles over the relevant calculation period. The end of the relevant calculation period is the date where certainty exists that the criteria has been met and a liability is crystallised.

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

1. Summary Of Significant Accounting Policies (continued)

e) Distributions

The Trust intends to elect into the AMIT regime for the financial year ended 30 June 2018. Under the Constitution the Trust does not have an obligation to make distributions to unitholders by cash and/or reinvestment in accordance with AASB 132 *Financial Instruments: Presentation* (AASB 132).

Distributions to unitholders are recognised directly in equity, and presented in the Statement Of Changes In Equity. A distribution payable is recognised in the Statement Of Financial Position where the amount remains unpaid at reporting date.

f) Income Tax

Under current income tax legislation, the Trust is not subject to income tax provided the net taxable income of the Trust is fully distributed or attributed to unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain would be included in net taxable income. Realised capital losses can only be utilised to offset any realised capital gains. Net realised capital losses are retained in the Trust to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

Net realised tax losses are not distributed or attributed to unitholders but are retained in the Trust to be offset against any future realised gains.

The Trust currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement Of Profit Or Loss And Other Comprehensive Income. The benefits of foreign withholding tax paid, and of imputation credits attaching to Australian franked dividends, are passed onto unitholders.

g) Goods And Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties, such as custodial services and investment management and administration fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 55%-75% and is also eligible to recover GST on offshore transactions. Management, administration and performance fees and other expenses have been recognised in the Statement Of Profit Or Loss And Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Statement Of Financial Position as a receivable or payable. Cash flows are included in the Statement Of Cash Flows on a gross basis.

h) Cash And Cash Equivalents

Cash includes cash at bank and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

i) Receivables

Receivables comprise amounts due from brokers for sales of assets, dividends and trust distributions declared but not yet received, and reclaimable taxes. They are recognised and carried at amortised cost using the effective interest rate method and adjusted for changes in foreign exchange rates where applicable, less a provision for uncollectible amounts.

j) Financial Assets And Liabilities

The Trust may classify its financial assets in one of the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. Designation is re-evaluated each financial year, but there are restrictions on reclassifying to other categories. Financial liabilities are classified as financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost. The classification of financial assets and liabilities depends on the purpose for which the assets are acquired and liabilities incurred.

The Trust's financial assets and liabilities are classified and measured as follows:

Financial asset/liability	Classification	Valuation basis	
Receivables	Loans and receivables	Amortised cost	Refer to Note 1 i)
Investments	Fair value through profit or loss	Fair value	Refer to Note 1 j)
Distributions payable	Financial liability at amortised cost	Amortised cost	Refer to Note 1 e)
Payables	Financial liability at amortised cost	Amortised cost	Refer to Note 1 l)

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

1. Summary Of Significant Accounting Policies (continued)

j) Financial Assets And Liabilities (continued)

Fair Value Through Profit Or Loss

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership are passed to a third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

All equity securities are designated as fair value through profit or loss on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Trust (as set out in the Trust's Product Disclosure Statement and Constitution).

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, which in the case of the Trust is the transaction price. Transaction costs are expensed immediately in the Statement Of Profit Or Loss And Other Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities classified at fair value through profit or loss are measured at fair value. Changes in fair value are recognised in the Statement Of Profit Or Loss And Other Comprehensive Income.

The fair value of equity securities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Trust is the current bid price and the quoted market price for financial liabilities is the current asking price. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques including recent arm's length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flows techniques, option pricing models or any other valuation techniques commonly used by market participants.

Financial liabilities, other than those at fair value through the profit or loss, are measured at amortised cost using the effective interest rate.

k) Derivatives

Derivatives are contracts whose value is derived from one or more underlying prices, indices or other variables. Derivatives not designated in hedge accounting arrangements under AASB 139 *Financial Instruments: Recognition and Measurement* are recognised at fair value. Changes in the fair value are recorded in the Statement Of Profit Or Loss And Other Comprehensive Income and are included in 'net change in fair value of investments held for trading'. Derivatives are included in the Statement Of Financial Position as an asset when the fair value at reporting date is positive and classified as a liability when the fair value at reporting date is negative.

l) Payables

Payables comprise trade creditors and accrued expenses owing by the Trust at reporting date which are unpaid. Trade creditors are unsecured and usually paid within 30 days of recognition. Payables are recognised at amortised cost at the point where the Trust becomes obliged to make payments in respect of the purchase of these goods and services. Refer to Note 1 e) for the distribution payable.

m) Unitholders' Equity

Under the Constitution, the Trust has no obligation to distribute income (refer to Note 1 e)). The units issued by the Trust meet the requirements of AASB 132 for classification as equity.

Units are recognised at the value of consideration received by the Trust. Where the Trust purchases its own issued units under a buyback, the consideration paid, including any directly attributable transaction costs, is deducted from unitholders' equity.

n) Segment Information

An operating segment is a distinguishable component of the Trust that is engaged in business activity from which the Trust earns revenues and incurs expenses, whose operating results are regularly reviewed by the Trust's chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been determined as Mr Hamish Douglass.

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

1. Summary Of Significant Accounting Policies (continued)

o) Earnings Per Unit

Basic earnings per unit is calculated as profit/(loss) for the period divided by the weighted number of units on issue. Diluted earnings per share is calculated by adjusting the basic earnings per unit to take into account the effect of any costs associated with dilutive potential units and the weighted average number of additional Ordinary units that would have been outstanding assuming the conversion of all dilutive potential Ordinary units. Refer to Note 7 for further details.

p) Offsetting Financial Instruments

Financial assets and financial liabilities are presented net in the Statement Of Financial Position where the Trust has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

q) Rounding Of Amounts

The Trust is of a kind referred to in the Australian Securities & Investments Commission's *Corporations (Rounding in Financial/Responsible Entity's Reports) Instrument 2016/191* and amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

r) Critical Accounting Estimates And Judgements

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

Where listed equities have no active market the Directors determine fair value with reference to external observable information and conditions existing at reporting date (refer to Note 3 a)). Fair values may however move materially with movements in market prices. As the investments are valued with reference to the listed quoted prices and the Trust's cash is held with strongly rated financial institutions, the Trust's financial assets are not subject to significant judgement or complexity nor are the Trust's liabilities.

2. Distributions To Unitholders

On 18 December 2017, the Directors declared a distribution of 3.0 cents per unit, amounting to \$31,495,000 for the period ended 31 December 2017. The distribution was paid on 16 January 2018.

a) Distribution Reinvestment Plan (DRP)

The Trust's DRP was available to eligible unitholders during the period ended 31 December 2017.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their cash distributions in additional units in the Trust, free of any brokerage or other transaction costs. Units are issued and/or transferred to DRP participants at a price that is determined by MAM in accordance with the DRP Rules.

A 5% discount has been applied to the units issued under the DRP in respect of the distribution paid on 16 January 2018.

To ensure that unitholders who do not to participate in the DRP suffer no dilution as a result of any discount, Magellan Financial Group Limited ("MFG") will pay the Trust an amount of consideration equal to the cost of this discount in accordance with the terms of the MFG Subscription and Commitment Deed.

The DRP issue price may be set with reference to the Net Trust Value per unit, and as such the DRP issue price could be at a premium to the trading price of units on the ASX.

With respect to the distribution for the period ended 31 December 2017, the DRP issue price was \$1.4637, as announced on 4 January 2018 to the ASX. This was equal to the Net Trust Value (as defined in the Trust's Constitution) divided by the number of units on issue on 2 January 2018 being 10 business days prior to the distribution payment date, less a 5% discount. The DRP unitholder participation rate was 12.38% and 2,664,196 Ordinary units, amounting to \$3,900,000, were issued on 16 January 2018 under the terms of the DRP in respect of this distribution. \$205,000 was receivable by the Trust from MFG for the 5% DRP issue price discount and recognised in the Statement Of Financial Position in respect of this distribution.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

3. Investments

	31 December 2017 \$'000
Investment Assets	
Financial Assets Designated At Fair Value Through Profit Or Loss	
International listed equity securities	
- United States	1,163,686
- Switzerland	63,648
- United Kingdom	19,943
Total Equity Securities	1,247,277
Financial Assets Held for Trading	
Forward foreign currency contracts	14,000
Total Financial Assets Held for Trading	14,000
Total Investment Assets	1,261,277

The equity securities by domicile of primary stock exchange, held by the Trust are:

Company Name	Domicile of Principal Exchange Listing	31 December 2017 \$'000
Facebook - class A shares	United States	128,790
Alphabet - class C shares	United States	109,035
Apple	United States	99,814
Lowe's	United States	87,516
Kraft Heinz	United States	86,842
Starbucks	United States	80,260
HCA Healthcare	United States	72,641
Visa - class A shares	United States	69,350
Wells Fargo	United States	68,530
Oracle	United States	66,571
eBay	United States	64,182
MasterCard	United States	52,614
Microsoft	United States	50,291
Crown Castle International	United States	49,381
Novartis	Switzerland	47,388
Yum! Brands	United States	43,412
Lloyds Banking Group	United Kingdom	19,943
Costco Wholesale	United States	17,981
McDonald's	United States	16,476
Nestle	Switzerland	16,260
Total Equity Securities		1,247,277

a) Fair Value Disclosures

The Trust classifies the fair value measurements of financial assets and financial liabilities using the three level fair value hierarchy set out below to reflect the source of valuation inputs used when determining the fair value:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing bid price for the security as quoted on the relevant exchange;
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of derivatives is based on a discounted cash flow analysis using quoted market inputs (spot and forward rates, volatility) adjusted for specific features of the instruments and applied debit and credit valuation adjustments based on the Trust's counterparties' current credit worthiness; and
- Level 3: valuation techniques using non-market observable inputs.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

3. Investments (continued)

a) Fair Value Disclosures (continued)

The following table presents the fair value measurement hierarchy of the Trust's financial assets:

	31 December 2017 \$'000
Assets Measured At Fair Value	
Level 1: Investments - valued using quoted price ^(A)	1,247,277
Level 2: Forward foreign currency contracts	14,000
Total Financial Assets	1,261,277

(A) All international equity securities held by the Trust are level 1 assets.

The Trust does not hold any level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

4. Unitholders' Equity

	31 December 2017 Number of units '000	31 December 2017 \$'000
a) Ordinary Units		
Ordinary units on issue at beginning of period	-	-
Units issued - priority offer	614,917	922,375
Units issued - general and broker offer	395,183	592,775
Closing Balance - Ordinary Units	1,010,100	1,515,150
b) Class A Units		
Class A units on issue at beginning of period	-	-
Units issued	39,747	59,620
Closing Balance - Class A Units	39,747	59,620
Closing Balance - Unitholders' Equity ^(A)	1,049,847	1,574,770

(A) refer to Note 1 m) for the basis of classification.

Terms And Conditions Of Units

i) Ordinary Units

Ordinary units are listed on the Australian Securities Exchange ("ASX").

Each Ordinary unit confers upon the unitholder an equal interest in the Trust, and is of equal value to other units in the Trust. A unit does not confer upon the holder any interest in any particular asset or investment of the Trust. The rights of unitholders are contained in the Trust's Constitution and include:

- the right to receive a share of any distribution determined by the Responsible Entity in proportion to the units held on the distribution date;
- the right to attend and vote at meetings of unitholders; and
- the right to participate in the termination and winding up of the Trust.

Redemption of units are not permitted while the Trust is listed on the ASX.

ii) Class A Units

Class A units have the same terms and conditions as Ordinary units and also rank equally with Ordinary units, except for the consolidation and conversion to Ordinary units as discussed in Note 4 c). Class A units are not listed on the ASX.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

4. Unitholders' Equity (continued)

c) Movements In Unitholders' Equity Subsequent To 31 December 2017

Unitholders who subscribed under the priority offer were entitled to loyalty units worth 6.25% of the value of their initial unit allotment providing those units were held on 11 December 2017 ("eligible unitholders"). To facilitate the issue of loyalty units, 39,747,290 Class A units were issued on 13 October 2017. On 11 December 2017, 38,134,220 loyalty units vested to eligible unitholders and these were issued on 15 January 2018. Contemporaneously, 38,134,220 Class A units were consolidated. Following the consolidation, the 1,613,070 residual Class A units were converted into Ordinary units on a one-for-one basis. Following the consolidation and conversion, the number of Class A units on issue was nil and the number of Ordinary units on issue increased by 39,747,290 to 1,049,846,852.

On 16 January 2018, 2,664,196 Ordinary units, amounting to \$3,900,000, were issued under the terms of the DRP, in respect of the distribution for the period ended 31 December 2017. Refer Note 2 a) for further details.

During February 2018 the Trust purchased and cancelled 130,887 Ordinary units on-market in accordance with the Trust's Constitution. The units were acquired at an average price of \$1.50 per unit, with prices ranging from \$1.45 to \$1.53, at a total cost of \$195,000.

The following table presents the movements in Ordinary and Class A units from 1 January 2018 to 28 February 2018. These changes are not reflected in the Trust's Statement OF Financial Position as at 31 December 2017.

	Number of units '000
Ordinary Units	
Ordinary units on issue at 31 December 2017	1,010,100
Issue of loyalty units to eligible unitholders under priority offer	38,134
Issue on conversion of Class A units	1,613
Issue of units under DRP	2,664
Units bought back on-market and cancelled	(131)
Closing Balance - Ordinary Units at 28 February 2018	1,052,380
Class A Units	
Class A units on issue at 31 December 2017	39,747
Consolidation of Class A units	(38,134)
Conversion of Class A units to Ordinary units	(1,613)
Closing Balance - Class A Units at 28 February 2018	-
Closing Balance - Unitholders' Equity at 28 February 2018	1,052,380

5. Related Parties

a) Responsible Entity

The Responsible Entity of the Trust is Magellan Asset Management Limited ("MAM"). MAM is a wholly-owned subsidiary of Magellan Financial Group Limited (ASX code: MFG), the immediate and ultimate parent entity of the Responsible Entity, and both are considered related parties of the Trust. Refer to Note 5 c) for detail on Responsible Entity's fees.

b) Key Management Personnel

Key management personnel ("KMP") are those persons or corporate entities who have authority and responsibility for planning, directing and controlling the activities of the Trust. The Responsible Entity is responsible for managing the activities of the Trust and considered to be a KMP. The Trust does not employ personnel in its own right.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

5. Related Parties (continued)

b) Key Management Personnel (continued)

i) Directors

The Directors of MAM are KMP and during the period and up to the date of this report were:

Name	Directorship	Appointed
Brett Cairns	Executive Chairman	22 Jan 2007
Hamish Douglass	CEO and Chief Investment Officer	21 Nov 2006
John Eales	Non-Executive Director	1 Jul 2017
Robert Fraser	Non-Executive Director and Senior Independent Director	23 Apr 2014
Paul Lewis	Non-Executive Director	20 Dec 2006
Hamish McLennan	Non-Executive Director	1 Mar 2016
Karen Phin	Non-Executive Director	23 Apr 2014

ii) Other Key Management Personnel (KMP)

In addition to the Directors, the following employees of MAM also had authority for the strategic direction and management of the Trust, directly or indirectly, during the period:

Name	Position	Employer
Frank Casarotti	General Manager - Distribution	MAM
Kirsten Morton	Chief Financial Officer	MAM
Gerald Stack	Head of Investments	MAM
Marcia Venegas	Head of Risk, Compliance and Legal	MAM
Craig Wright	Head of Governance and Advisory	MAM

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

5. Related Parties (continued)

b) Key Management Personnel (continued)

iii) Unitholdings in Magellan Global Trust

The number of units held during the period by each KMP, including their personally-related parties, in the Trust are as follows:

	31 December 2017					Loyalty Unit entitlement ^(C)
	Units acquired during period	Units disposed during period	Units held at end of period		Distribution payable at end of period	
	Number	Number	Number	%	\$	
MGT Investment Corp Pty Limited	1,613,070 ^(A)	-	1,613,070	0.15	1,192,419	-
Directors						
Brett Cairns	66,666	-	66,666	^(D)	2,000	4,166
Hamish Douglass	13,666,668	-	13,666,668	1.30	410,000	-
John Eales	213,432	-	213,432	^(D)	6,403	4,166
Robert Fraser	166,666	-	166,666	^(D)	5,000	4,166
Paul Lewis	86,666	-	86,666	^(D)	2,600	4,166
Hamish McLennan	66,500	-	66,500	^(D)	1,995	4,156
Karen Phin	66,666	-	66,666	^(D)	2,000	4,166
Group Executives (Other KMP)						
Frank Casarotti ^(B)	100,000	-	100,000	^(D)	3,000	6,250
Kirsten Morton	26,000	-	26,000	^(D)	780	1,625
Gerald Stack	97,497	-	97,497	^(D)	2,925	6,094
Marcia Venegas	10,000	-	10,000	^(D)	300	625
Craig Wright	33,335	-	33,335	^(D)	1,000	2,083

(A) On 13 October 2017, MGT Investment Corp Pty Limited ("MGTI"), a wholly owned company of Magellan Financial Group Limited, subscribed for 39,747,290 Class A units of the Trust to facilitate the issue of the loyalty units to eligible unitholders under the priority offer. After the additional loyalty units vested to eligible unitholders on 11 December 2017, the remaining 1,613,070 units have been retained as an investment by MGTI. Refer to note 4 c) for further details.

(B) In addition to the above holding, Mr Casarotti, through his self-managed superannuation fund, holds 30,000 units in the Trust at 31 December 2017, and a loyalty unit entitlement of 1,875 units.

(C) Loyalty units vested to unitholders, who subscribed under the priority offer, on 11 December 2017. Under the priority offer the Directors' participation was capped at \$100,000, or 66,666 units per Director. Loyalty units were allotted as Ordinary units on 15 January 2018. Refer to note 4 c) for further details.

(D) Holding less than 0.1%.

c) Responsible Entity Fees

Compensation is paid to the Responsible Entity in the form of fees as follows:

i) Management And Administration Fees

The Responsible Entity is entitled to receive management fees from the Trust. The Trust pays a management fee to the Responsible Entity for managing the assets of the Trust and overseeing the operations of the Trust. The management fee is 1.25% per annum of the value of the Trust, calculated daily. It also pays an administration fee of 0.10% per annum to the Responsible Entity from which the operating expenses of the Trust, such as audit and tax compliance fees, distribution costs, investor reporting, custody and Trust administration costs are paid. Management fees are calculated daily based on the net asset value (before fees) of the Trust on that day and are payable at the end of the month.

ii) Performance Fees

Performance fees are calculated on six monthly calculation periods ending on 31 March and 30 September of each calendar year. The Responsible Entity's entitlement to a performance fee is dependent on the Trust exceeding both index relative and absolute return hurdles over a given calculation period, as well as exceeding the applicable high watermark and an overall cap.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the period 11 August 2017 to 31 December 2017

5. Related Parties (continued)

c) Responsible Entity Fees (continued)

ii) Performance Fees (continued)

Performance fees crystallise at the end of a calculation period, or from the commencement of the Trust to 31 March 2018 in the case of the first performance fee calculation period. Where units are bought back by the Trust, a portion of the performance fee will crystallise if a performance fee is accrued at that date.

At 31 December 2017, no performance fee has crystallised, as the performance fee calculation period is incomplete. As a result, the performance fee is a contingent liability, as the Trust's performance is subject to market fluctuations and therefore uncertainty exists as to whether the Trust's performance will exceed the performance fee measurement criteria for the period ending 31 March 2018. Due to market volatility, no estimate can be provided for performance fees that may crystallise for the period ending 31 March 2018.

Further details of the performance fees can be found in the Trust's Product Disclosure Statement which is available at www.magellangroup.com.au.

Management and administration fees paid/payable by the Trust during the period are net of any applicable reduced input tax credits. Refer to Note 1 g) for further details.

The management and administration fees paid/payable by the Trust during the period are set out below:

	% pa	11 August 2017 to 31 December 2017 \$
Management fee	1.25	4,516,929
Administration fee	0.10	361,354
Total management and administration fees	1.35	4,878,283
Total Fees Expensed Per Statement Of Profit Or Loss And Other Comprehensive Income		4,878,283
Total Fees Payable In The Statement Of Financial Position		1,947,288

d) Transactions With Other Related Parties

	Note	11 August 2017 to 31 December 2017 \$'000
Contribution receivable from MFG for the 5% discount to MGG's Net Trust Value per unit for the number of units participating in the Trust's DRP for the period ended 31 December 2017	2 a)	205
Subscription for 39,747,290 Class A units by MGTI to facilitate the issuance of loyalty units to priority offer unitholders	4 ii)	59,620

The subscription for units and distribution for the period ended 31 December 2017 were on the same terms and conditions that applied to other unitholders.

6. Segment Information

The Trust's investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment, Australia. The Trust continues to have foreign exposures as it invests in companies which operate internationally.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva'.

Rita Da Silva
Partner
Sydney
28 February 2018

MAGELLAN GLOBAL TRUST

Corporate Information

Directors Of The Responsible Entity

Brett Cairns (Chairman)
Hamish Douglass
John Eales
Robert Fraser
Paul Lewis
Hamish McLennan
Karen Phin

Company Secretary Of The Responsible Entity

Geoffrey Stirton

Registered Office

Level 36, 19 Martin Place
Sydney NSW 2000
Telephone: +61 2 9235 4888
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Auditor And Tax

Ernst & Young
200 George Street
Sydney NSW 2000

Unit Registrar

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Fax: +61 2 9279 0664
Email: enquiries@boardroomlimited.com.au

Securities Exchange Listing

Australian Securities Exchange
ASX Code: MGG

Website

<http://www.magellangroup.com.au>