

# Magellan Global Fund Unitholder Meeting Presentation

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# Important information

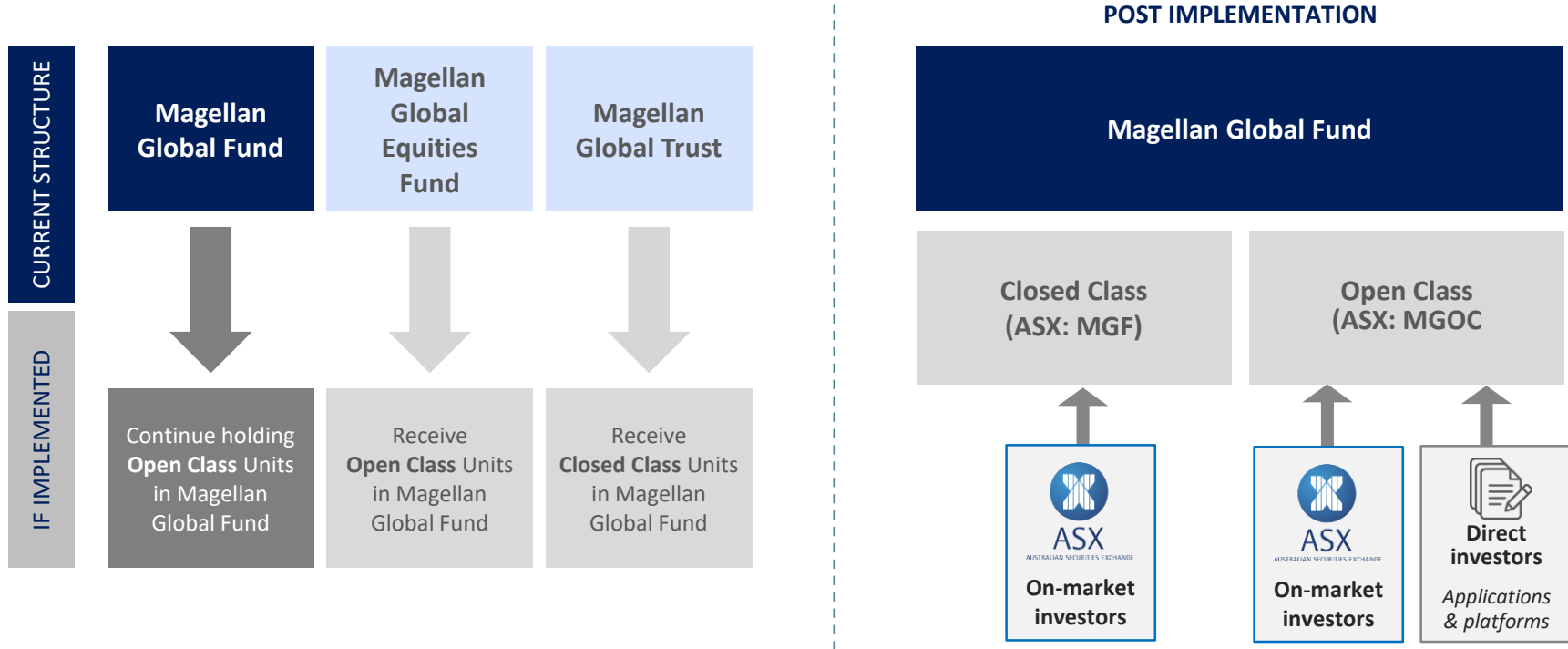
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# Introduction

- 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, the Magellan Global Fund Constitution is required to be amended to enable it to offer two unit classes. Further, the Magellan Global Fund is proposing to acquire all of the units in MGE and all the units in MGG by way of two separate but inter-conditional trust schemes
- If the restructure becomes effective, Magellan Global Fund unitholders will continue to hold the same units in Magellan Global Fund
- Post implementation of the restructure, Magellan Global Fund intends to undertake a \$1-for-\$4 offer of Closed Class Units with attaching options. All discounts in connection with this offer 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, Magellan Global Fund unitholders are being asked to vote in connection with the proposed restructure

The MGF Partnership Offer is subject to the successful implementation of the Restructure and regulatory approvals. A product disclosure statement 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 is expected to be made in January 2021. Once available, Eligible MGF Unitholders will need to consider the product disclosure statement 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"> <li>▪ <i>Daily NAV per Unit by 9.30am for each unit class</i></li> <li>▪ <i>Intra-day indicative NAV (iNAV) for each unit class</i></li> <li>▪ <i>Monthly fund factsheets with Top 10 holdings with investment performance (post fees) calculated for each unit class</i></li> <li>▪ <i>Portfolio disclosed quarterly with two-month delay</i></li> </ul>	
Fees	Fee structure identical across each unit class in MGF	
Capital management	Ability to conduct on-market buyback <sup>1</sup>	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 Magellan Global Fund Unitholders

<b>What will I receive if the Restructure is implemented?</b>	<ul style="list-style-type: none"><li>• Magellan Global Fund Unitholders will continue to hold the same units in Magellan Global Fund</li><li>• The number of units they hold will remain unchanged</li><li>• Their units will be referred to as Open Class Units and will be quoted on the ASX</li></ul>
<b>Key benefits of the restructure</b>	<ul style="list-style-type: none"><li>• Greater choice in how to invest – trade on the ASX or apply / redeem directly with Magellan</li><li>• Potential for greater efficiency in ASX trading of Open Class Units</li><li>• Opportunity to participate in Magellan Group “partnership benefits”, namely the MGF Partnership Offer</li></ul>
<b>Potential disadvantages and risks of the restructure</b>	<ul style="list-style-type: none"><li>• The relative voting power of an existing Magellan Global Fund Unitholder will be lower in the enlarged Magellan Global Fund</li><li>• 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</li><li>• Implementation and execution risks</li></ul>
<b>Board recommendation</b>	<ul style="list-style-type: none"><li>• Directors of Magellan recommend Magellan Global Fund Unitholders vote in favour of the restructure proposal, in the absence of a superior proposal</li></ul>
<b>Independent expert recommendation</b>	<ul style="list-style-type: none"><li>• The Independent Expert has determined the restructure is in the best interests of Magellan Global Fund Unitholders, in the absence of a superior proposal</li></ul>

# 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

# 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 is subject to the successful implementation of the Restructure and regulatory approvals. A product disclosure statement 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 is expected to be made in January 2021. Once available, Eligible MGF Unitholders will need to consider the product disclosure statement 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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